



# Notice

28 January 2020

## ERM Power Retail Pty Ltd 2019 performance audit

The Economic Regulation Authority has published the 2019 [performance audit report](#) for ERM Power Retail Pty Ltd's electricity retail licence ERL15.

ERM is a diversified energy company that operates electricity retail and generation businesses in Australia. ERM currently supplies approximately 86 large use customers in Western Australia. ERM's customers are based within the South West Interconnected System.<sup>1</sup>

### *The ERA's decision*

The ERA considers ERM has achieved an adequate level of compliance with the licence.

The ERA has decided to maintain the audit period at 48 months. The next audit will cover the period 1 November 2019 to 31 October 2023 with the report due to be provided by 31 January 2024.

### *Background to the ERA's decision*

#### **Audit ratings**

The auditor assessed 73 licence obligations applicable to ERM's licence and found:

- 33 were rated A1 (adequate controls, compliant).
- Eight were rated A/NR (adequate controls, not rated for compliance due to lack of relevant activity).
- Three were rated B2 (generally adequate controls, non-compliant – minor effect on customers).
- 26 were rated NP/NR (controls assessment not performed, not rated because no relevant activity took place during the audit period).
- Three were rated NP/NA (controls assessment not performed, not applicable during the audit period).

<sup>1</sup> The SWIS covers a geographic area from Kalbarri to Albany and from Perth to Kalgoorlie.

The audit identified three non-compliances:

- Obligation 108: ERM supplied electricity to a small use customer when it was not authorised to supply small use customers.
- Obligation 111: ERM was not a member of the Electricity Ombudsman scheme and supplied a small use customer when it was not authorised to supply small use customers.
- Obligation 124: ERM submitted its 2018/19 licence standing charge data late to the ERA.

### ***Audit recommendations***

The auditor made three recommendations which were completed during the audit period. ERM was not required to provide a post-audit implementation plan.

### ***The ERA's assessment of the audit findings***

Two of the three non-compliances identified in the audit were due to ERM unintentionally supplying electricity to a small use customer when it was not authorised to do so. ERM has updated its procedures to prevent this from happening in the future.

The remaining non-compliance was a minor administrative matter.

### ***Further information***

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